

## Message Text

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41

ACTION EUR-25

INFO OCT-01 ISO-00 SP-03 AID-20 EB-11 NSC-07 RSC-01

CIEP-03 TRSE-00 SS-20 STR-08 OMB-01 CEA-02 CIAE-00

COME-00 FRB-03 INR-11 NSAE-00 XMB-07 OPIC-12 LAB-06

SIL-01 DRC-01 DODE-00 PM-07 H-03 L-03 PA-04 PRS-01

USIA-15 /176 W

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R 271541Z AUG 74

FM AMEMBASSY BONN

TO SECSTATE WASHDC 4648

UNCLAS BONN 13546

DEPARTMENT PASS TREASURY AND FEDERAL RESERVE

E.O. 11652: N/A

TAGS: EFIN, GW

SUBJECT: FRANKFURTER HANDELSBANK CLOSED

1. THE GERMAN BANKING SUPERVISORY AUTHORITY WITHDREW THE BANKING LICENSE OF THE SMALL FRANKFURTER HANDELSBANK ON AUGUST 27 AND ORDERED ITS LIQUIDATION. THE BANK WAS FOUNDED AS A CATTLE MARKET BANK AND HAD A CURRENT BALANCE SHEET VOLUME OF DM 14 MILLION AND LIABLE CAPITAL OF DM 1.4 MILLION.

2. IT WAS REPORTED IN THE GERMAN PRESS AUGUST 22 THAT THE BANK WAS IN FINANCIAL DIFFICULTIES WHICH WERE ATTRIBUTED TO AN ALMOST TOTAL TURNOVER IN ITS BOARD OF DIRECTORS. THE MAYOR OF FRANKFURT AND THE CHAIRMAN OF THE BOARD OF THE FRANKFURT STADTSPARKASSE (CITY SAVINGS BANK) WERE RECENT DEPARTURES. THE STADTSPARKASSE HAD SOLD IN MARCH 1973 MORE THAN 75 PERCENT OF ITS OWNERSHIP OF THE BANK TO THE EQUITIES EXCHANGE CLUB VERWALTUNGS GMBH.

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3. WHEN ANNOUNCING THE BANK'S CLOSURE, THE BANKING SUPERVISORY AUTHORITY STATED THAT THE ACTION WAS REQUIRED BECAUSE OF HEAVY WITHDRAWALS WHICH UNDERMINED THE INSTITUTION'S SOLVENCY.

4. THE ASSOCIATION OF GERMAN BANKS AND THE FRANKFURT STADTSPARKASSE HAS GIVEN ASSURANCE THAT ALL NON-BANK CUSTOMER ACCOUNTS WILL BE FULLY COVERED.

CASH

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NNN

## Message Attributes

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**Capture Date:** 01 JAN 1994  
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**Current Classification:** UNCLASSIFIED  
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**Copy:** SINGLE  
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**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 JAN 1960  
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**Disposition History:** n/a  
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**Subject:** FRANKFURTER HANDELSBANK CLOSED  
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**To:** STATE  
**Type:** TE  
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